

For distribution to the Commission and to be placed into the record for LAFCO's **May 4, 2023** meeting  
**Business Item #2: Consider the adoption of a municipal service and sphere of influence review**

May 3, 2022

Commissioners,

The information in the Municipal Service and Sphere of Influence (**SOI**) Review that it is recommended LAFCO adopt today contains inaccuracies. Specifically, the information regarding the Los Olivos Community Services District (**LOCSD**) is both internally inconsistent and inconsistent with the facts established in the public record. As a result, I ask that LAFCO refrain from adopting the document at this time and undertake revisions to render the content of the document coherent, accurate, and reliable.

As an initial matter, the [memo recommending adoption of the Municipal Service and SOI Review](#), included in the agenda packet for your May 4, 2023 meeting, states **on page 109** (Ex. T, Attachment E) of the 135-page .pdf file linked above and on your website, includes the following paragraph, which is emblematic of the many problems with the content of the Municipal Service and SOI Review:

Los Olivos Community Services is designing a package plant sized to serve Phase I needs and sited to accommodate modular expansion should further study warrant a facility expansion. It is estimated the service area will generate in excess of 100,000 gallons per day. Los Olivos Community Services service area's currently uses on-site wastewater treatment systems. It is estimated the service area will generate in excess of 100,000 gallons per day. At full build-out it is estimated to generate 385,000 gallons per day. Of this amount, it is estimated by LAFCO this represents 72% of permitted capacity.

The **first sentence** is not accurate; instead, it reflects what the CSD was *supposed to be doing* based on the Project Description approved by all relevant stakeholders and adopted in a [Resolution unanimously adopted by the CSD Board in August 2019](#): design a collection and treatment system to serve the downtown core with any potential expansion of the system contingent on the results of concomitant groundwater monitoring. However, after LAFCO granted the LOCSD a two-year extension in 2021, with zero public engagement on the matter, [the LOCSD stopped pursuing that plan](#). Since that time, the LOCSD has expended [over \\$350,000 of taxpayer money](#), including grant funds, on a [vastly larger project](#) that is [wholly inconsistent with the Project Description](#) that was adopted and remains in full force and effect.

The **second sentence** is both ambiguous and incomplete: **(1) What is the "service area"** estimated to generate over than 100,000 gpd (Phase I, the entire District, some other area); **(2) What is the source of this "estimate"?**

The **third sentence** is accurate but contains a typo. Consider deleting the extraneous 's on the word "area."

The **fourth sentence** is identical to the second sentence.

The **fifth sentence** is similarly ambiguous and incomplete: What is the "it" that is estimated to generate 385,000 gpd at full build out. What area is included in the "full build out" estimate. What is the source of this estimate?

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The **sixth and final sentence** suffers from the same ambiguity and lack of foundation: What is the "permitted capacity"? LOCSD has no permits. What information does LAFCO have that allows LAFCO to estimate that **350,000 gpd represents 72% of "permitted" capacity?**

Turning to the [Municipal Service and Sphere of Influence \(SOI\) Review](#) itself, it is internally inconsistent and replete with inaccuracies. Because the [section specifically regarding the LOCSD](#) is, on its own, a full 21 pages long, I will not burden you with a line-by-line analysis. Instead, I provide [this link to my annotations on the first 12 of those 21 pages for your consideration](#).

LAFCO should not adopt the Municipal Service and Sphere of Influence (SOI) Review as written because it is a public document and should, as such, be accurate.

Thank you, Kathryn Rohrer, Ballard Adobes

## V. Los Olivos Community Services District

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General Manager: Guy Savage

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### SUMMARY

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The Los Olivos Community Services District is authorized to provide collection, treatment, and disposal of wastewater, recycled water, and storm water facilities in Los Olivos area to approximately 1,000 people throughout 0.4 square miles in the central part of Santa Ynez Valley. Los Olivos receives drinking water from the Santa Ynez River Water Conservation District, Improvement District No.1 (ID#1). The District's boundary is the same as its Sphere of Influence and there are no proposals for expansion. The District receives financial support at a rate of approximately \$312 per resident and maintains a fund balance to meet future needs. The District has financial procedures in place to ensure the preparation of timely agency audits.

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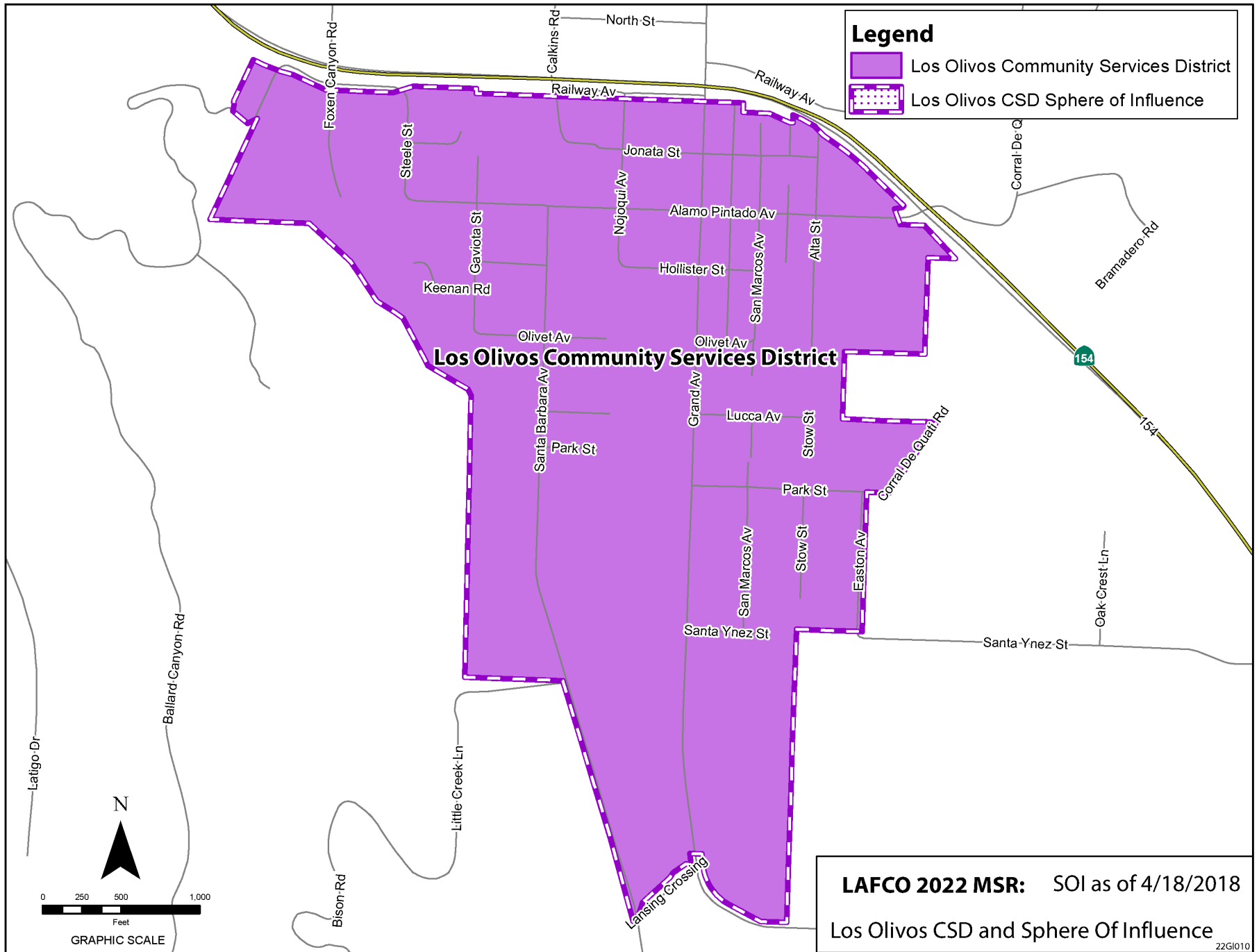
### BACKGROUND

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The Los Olivos Community Services District was formed in 2018. It was formed to provide a funding mechanism for the building and operation of facilities needed to collect, treat, and dispose of sewage, wastewater, recycled water, and storm water in Los Olivos. In October, 2021, the District Board authorized Stantec Engineering to move forward with the concept and preliminary design of a project. On February 2, 2022, Stantec provided the Board with the Basis of Design report, which is the first step in the preliminary design process for the project.

The District estimated it serves a population of 1,000 people. The District anticipates a growth rate of less than one (1) percent a year within its boundaries in the coming years. The District is estimated to conduct its Proposition 218 benefit assessment election to fund the completion and operation of the wastewater collection and treatment system by end of 2022.

The Los Olivos Community Services District overlaps the County of Santa Barbara Fire Protection District, Santa Ynez River WCD, Cachuma RCD, Santa Ynez River WCD Improvement District No. 1, Santa Barbara Mosquito and Vector Control District, County Service Areas 32 (Law Enforcement), County Flood Control & Water Agency, and the Oak Hill Cemetery District.



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## OPERATIONS

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Los Olivos Community Services District contracts for all services, including General Manager. The District is still designing a WWTP. It is estimated at full implementation to serve 100,000 gpd, peak (at 20-year build-out estimate) of 385,000 gpd facility.

In 2015, the state and county began requiring Los Olivos to comply with the state's septic-to-sewer conversion program. On August 14, 2019, the LOCSD adopted Resolution 2019-04 and approved the Los Olivos Community Wastewater Program Project Description. The purpose of the Los Olivos Wastewater Reclamation Program Project Description is to define a strategy to provide economically viable wastewater treatment and reclamation solutions to the residents and property owners within the District that meets public health needs and the regulatory requirements of the Regional Water Quality Board (RWQCB).

The Los Olivos Wastewater Reclamation Program is comprised of four distinct components, each being interdependent and implemented concurrently:

1. Development of Residential Onsite Wastewater Treatment System (OWTS) Requirements
2. Financial Outreach and Assistance for Program Development, Construction and Operation
3. Implementation of a Local Groundwater Monitoring Program; and
4. Phased Collection and Treatment

Most of the District's general revenues will come from Assessment taxes. The District will also seek all available grants and additional sources to augment revenue through public-private partnerships. Revenue from assessments is anticipated to total \$188,887, or 28% of the budget total. In FY 2021-2022 revenues available to the District totaled \$676,257.

The District Board of Directors is composed of five Members who are elected at-large to four-year terms. The Board meets Wednesday after the 2<sup>nd</sup> Tuesday of the month located at St. Mark's in the Valley Episcopal Church, Stacy Hall 2901 Nojoqui, Ave., Los Olivos at 6:00 pm. The District maintains a website which includes a list of members of the Board of Directors, agendas of upcoming meetings, and minutes of past meetings.

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## OPPORTUNITIES & CHALLENGES

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The Los Olivos Special Problems Area designation was established in 1974. The County prepared a Los Olivos Wastewater Management Plan (LOWWMP) in 2010 that established a goal to protect public health and safety by recommending a process to mitigate the negative effects of

existing onsite wastewater treatment systems (OWTS) on groundwater quality under and around Los Olivos. Onsite Wastewater Treatment System (OWTS) in Los Olivos are governed by the Santa Barbara County Public Health Department's (County EHS) Local Area Management Plan (LAMP).

Like much of the Valley, the Special Problem Area is over both a perched, or shallow groundwater that is tapped by private wells generally between 25 and 180 feet deep and deeper aquifer which is tapped by wells between 250 and 600 feet deep. In the Los Olivos area, 32 private wells tested demonstrate similar levels of nitrate in both shallow and deep aquifers as defined. However, outside the immediate area, deeper wells sampled show considerably less nitrates. Indicating that shallow wells in and around the problem area, as well as deeper wells immediately under or adjacent to the problem area are most influenced by the nitrate contamination.

The District continues to pursue information on potential wastewater treatment package plant siting locations so that an accurate Assessment Engineer's Report and Financial Plan can be prepared. The initial site evaluation process is intended to determine a realistic range of expected costs for budgeting purposes, and to see if there are any potential "acquisition opportunities of convenience", meaning potential sites that may include excess right-of-way, or private land that may be offered for sale. To that end, the District secured an easement agreement with the County of Santa Barbara in 2019 for a .25-acre parcel located adjacent to the southern border of Mattei's Tavern that could potentially be used in the overall system design and siting process.

Last fall in 2021, the Board directed Stantec Engineering to perform a 3rd party assessment of the 18 potential package plant sites first identified in the June 2021 Urban Planning Concepts' Desktop Siting Analysis. Stantec has developed a matrix to rate the sites based on technical, engineering, and environmental perspective that works best for system operations and the community. The results of the study were provided to the Board at its February 2, 2022 meeting.

The Board recently executed funding agreements for the State Grant which will provide up to \$150,000 in matching funds for the preliminary design of the septic to sewer conversion project. The District is also working with Santa Barbara County and are beneficiaries of a \$180,000 funding for preliminary studies. They are working with others, including the Integrated Regional Water Management (IRWM) group, and non-profit Heal the Ocean, to develop funding partnerships.

The District will seek every potential source of funds to minimize any eventual Fee Assessment that must be established in accordance with State Law (Proposition 218), and as required by the Local Agency Formation Commission (LAFCO) conditions.

LAFCO of Santa Barbara County encourages the District to identify a construction site and finalize a facility design. Completing these steps will allow the District to complete the Proposition 218 process and meet their conditions. The Districts, and the surrounding communities should consider options for public sanitary services. Generally, the Special Problem

Areas will need to work together to resolve the water quality concerns.

## Governance Structure Options

The District has not identified any government structure options. LAFCO does not see the need for structural governance changes, the enabling legislation indicates a multipurpose governmental agency, especially in urban areas, may be the best mechanism to account for community needs, financial resources and service priorities. It may be that a legal or functional consolidation with other Santa Ynez Valley based local agencies may result in greater overall economy or efficiency in providing services to the community. Pending the success of Los Olivos CSD compliance with LAFCO conditions potential alternatives could be considered.

LAFCO staff sees value in local agencies collaborating and exploring opportunities to improve delivery of municipal services. It is still unknown whether it is feasible for other local service provider to assume responsibilities within this area. Therefore, LAFCO staff recommends that the District continue to discuss possible partnerships with other neighboring agencies. If an agreement is made, in which all affected parties agree in the transfer of responsibilities, a change of organization may be considered at that point.

## Regional Collaboration

The District participates in the Integrated Regional Water Management Plan (IRWMP) process. The intent of the Integrated Regional Water Management Program in Santa Barbara County is to promote and practice integrated regional water management strategies to ensure sustainable water uses, reliable water supplies, better water quality, environmental stewardship, efficient urban development, protection of agricultural and watershed awareness.

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## SPHERE OF INFLUENCE & BOUNDARIES

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The Sphere of Influence for the Los Olivos Community Services District's boundaries are coterminous with the District service area. The District currently has no Sphere of Influence beyond the boundary it serves. A map of the District's Sphere of Influence and boundaries can be seen at the beginning of this profile.

The Board directed Stantec Engineering to perform a 3rd party assessment of the 18 potential package plant sites first identified in the June 2021 Urban Planning Concepts' Desktop Siting Analysis. Stantec has developed a matrix to rate the sites based on a technical, engineering, and environmental perspective that works best for system operations and the community. The results of the study were provided to the Board at its February 2, 2022 meeting. The Board has yet to select a site. Consideration and LAFCO action may be required depending on the location selected. At this time, no additional study areas are identified for study purposes. Any future proposal will be under review and consideration as a separate action and application and will not be evaluated under this service review.

## BOUNDARIES

### Jurisdictional Boundary

Los Olivos CSD’s existing boundary spans approximately 0.4 square miles in size and covers 306 acres (parcels and including public rights-of-ways) of contiguous areas. All 100% of the jurisdictional service boundary is unincorporated and under the land use authority of the County of Santa Barbara. Overall, there are 585 registered voters within the jurisdictional boundary.

Los Olivos CSD jurisdictional boundary spans 0.4 square miles with 100% being unincorporated and under the land use authority of the County of Santa Barbara.

Los Olivos Community Services   Boundary Breakdown By Service Area				
Service Area	Total Assessor Parcel Acres	% of Total Assessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
Los Olivos CSD	257	100.0%	384	585
Totals	257	100.0%	384	585

Los Olivos Community Services   Boundary Breakdown By Land Use Authority				
Land Use Authority	Total Assessor Parcel Acres	% of Total Assessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
County of Santa Barbara	306	100.0%	2,682	585
Totals	306	100.0%	7,787	585

Total assessed value (land and structure) is set at \$298.1 million as of April 2022, and translates to a per acre value ratio of \$1.1 million. The former amount further represents a per capita value of \$298,155 based on the estimated service population of 1,000. Los Olivos Community Services District receives \$0.6 million dollars in annual assessment tax revenue generated within its jurisdictional boundary.

The jurisdictional boundary is currently divided into 384 legal parcels and spans 257 acres excluding public right-of-ways. Approximately 96% of the parcel acreage is under private ownership with 86% having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage is entirely undeveloped and consists of 17 vacant parcels that collectively total 29 acres.

Close to 96% of the jurisdictional boundary is under private ownership, and of this amount approximately 86% has been developed.



**Los Olivos Community Services District  
Formation, Revenues, Attributes, Types of Service, and Resources**

District Formation and Duties	
Formation Date	2018
Legal Authority	Community Services District Act, Government Code, section 61000 et seq.
Board of Directors	Five Directors elected to four-year terms through at-large elections.
Agency Duties	Collect, treatment, and disposal of wastewater. Additional services include recycled water, and storm water

## POPULATION AND GROWTH

### Population

The U.S. Census Bureau estimated the 2020 population of Los Olivos to be 838. Santa Barbara County Association of Governments prepared a Regional Growth Forecast for 2010-2040 in 2012. The Forecast for 2050 completed in 2019 was for the Cities while the 2012 report included unincorporated communities by sub regions. That report used a conservative trend-base allocation methodology estimating the Solvang-Santa Ynez unincorporated population as 12,646 by 2020. In contrast, the County's population increased by 5.7 percent between 2010 and 2020.

Demographics for Los Olivos are based on an age characteristics report prepared by SBCAG in 2017 and American Community Surveys. These statistics are cited herein, which identified the largest age group represented in Los Olivos as 18 to 64 group at 50 percent. Approximately 32.9 percent of the population was in the 65 or older years age group and 17.1 percent in the under the age of 18 group.

According to the 2020 U.S. Census, approximately 83.8 percent of the total population identified themselves as non-Hispanic white. The Hispanic population, which is the second largest ethnic group in Los Olivos, comprised 16.2 percent of the total population.

### Projected Growth and Development

The County of Santa Barbara General Plan serves as the Community's vision for long-term land use, development and growth, and provides the community's vision within the Planning Area. The Community Plan was adopted in 2009, although the Housing Element is updated every 8 years in accordance with state regulations and spans the 2023-2031 planning period.

The current County of Santa Barbara Housing Element (2023-2031) identifies an estimated growth rate of less than one (1) percent within (Los Olivos unincorporated area). The County’s General Plan covers the Santa Ynez Valley Planning Area. The following population projections within the area are based on the Department of Finance Table E4 estimate and SBCAG regional forecast as a percentage of Solvang-Santa Ynez unincorporated projections.

Table V-2. Population Growth and Projections (2010–2040)					
	2010	2015	2020	2035*	2040*
Los Olivos	1,733	1,166	1,000	1,286	1,286
County	423,895	441,963	451,840	501,500	513,300

\* Based on a constant growth rate model prepared by AECOM in 2016.

\*\* DOF Table E4 projections.

### Disadvantaged Unincorporated Communities

Senate Bill (SB) 244 of 2011 requires LAFCO to identify and consider disadvantaged unincorporated communities (DUCs) when preparing MSRs and Sphere updates for Cities and Special Districts that provide sewer, water, or structural fire protection services. A DUC is defined by the Water Code as one in which the median annual household income (MHI) is 80 percent of the statewide average. Incorporated communities also are defined as disadvantaged when the MHI falls below 80 percent. In 2022, the statewide MHI was \$80,440, 80 percent of that is \$64,352. The MHI for Los Olivos was \$102,589 in 2022, which does not qualify the community as a disadvantaged community. In addition, review of the State DAC Mapping Tool and CalEnviroScreen 4.0 was used to verify disadvantaged status with other applications of the definition. CalEnviroScreen is a screening tool used to help identify communities disproportionately burdened by multiple sources of pollution and with population characteristics that make them more sensitive to pollution. The County prepared an update to its Integrated Regional Water Management Plan in 2019. This was in part for the purposes of grants for the Central Coast Funding Area for which a disadvantaged communities’ assessment was conducted based on requirements for water and wastewater needs or deficiency within a service area. The Environmental Protection Agency (EPA) has developed an Environmental Justice Screening and Mapping Tool Version 2.0 (EJScreen) that provides nationally consistent data combining environmental and demographic data related to the protection of public health and the environment. This Mapping Tool was evaluated for indicators to assist in identifying a disadvantaged community. Lastly, EPA has also developed an EnviroAtlas Interactive Map Tool in collaboration with EJScreen that overlays geospatial data and other resources related to ecosystem services, their chemical and non-chemical stressors, and human health to better understand human health and well-being, since these are closely tied to the environment, which provides benefits such as clean water, clean air, and protection from natural hazards. In combination a stronger representation of underserved communities can be identified that may be

a leading indicator to health and well-being or precursor to DUC. In all cases, the Los Olivos Community Services District's Sphere of Influence does not qualify under the definition of disadvantaged community for the present and probable need for public facilities and services nor are the areas contiguous to the Sphere of Influence qualify as a disadvantaged community.

### Los Olivos Community Services District Formation, Revenues, Attributes, Types of Service, and Resources

Attributes	
District area (est. square miles): • Entire District	0.4
Population (2020 Census): • Entire District	1,000
Assessed Valuation (FY 21-22: District portion)	\$298,155,053
Number of Treatment Plants	Proposing 1
Regular Financial Audits	Annual
Annual Revenue Per Capita, Entire District (FY 20-21)	\$312
Average Portion of County 1% Property Tax Received	N/A
Ending Total Fund Balance (June 2021)	\$108,493
Change in Total Fund Balance (from June 2018 to June 2021)	100%
Total Fund Balance/Annual Revenue Total (FY 20-21)	16%

Source: District area estimated utilizing County of Santa Barbara GIS Data; Population estimated utilizing 2020 US Census Data; Assessed Valuation and Portion of County Property Tax Received are from County of Santa Barbara Auditor-Controller's Office; Fund Balance Information from District Audit; Other information from District.

## SERVICES

### Overview

Los Olivos Community Services District (LOCSD) is authorized to provide collection, treatment, and disposal of wastewater, recycled water, and storm water facilities. The District is staffed by three (3) contract staff.

Location and siting of the facility remains under examination. Given the above siting factors, the District prefers that the location be within District boundaries and south of State Route 154. Currently, potential locations include:

- County parcels
- County Right of Ways

- Institutional parcels including churches and schools
- Commercial parcels, and
- Private land Construction

## WASTEWATER INFRASTRUCTURE AND PUBLIC FACILITIES

### Collection System

The Sanitation system has not been fully designed yet. The collection system is anticipated to include a subsurface wastewater collection structure consisting of gravity pipelines, lift stations as required, and effluent handling facilities returning drinking water, quality reclaimed water, to customers or the groundwater basin for beneficial reuse. The collection system “backbone” will consist of underground gravity sewer pipe that will be strategically placed under community streets and alleys to allow for the closest possible connection to parcels in the high-density water use areas of the downtown C-2 Commercial Core and small-lot residential parcels near the downtown core. Maintenance holes and an “end of the line” lift station will be provided, with an associated force-main (pressure main) to move the wastewater to the MBR package plant for treatment, as necessary. Structures will be connected to the District-owned collection system via privately owned laterals. Existing septic systems and leach fields will be abandoned as required by local codes. Certain laterals may be successfully connected with gravity flow while many may require small private grinder pumps to move the sewage into the collection system. District participation in lateral grinder pump and septic abandonment costs would depend on grant and funding sources. Potential expansion of the collection system, as with the treatment system, will be determined based on results of the groundwater monitoring and in coordination with the RWQCB.

### Treatment System

The proposed Treatment Facility will be consistent with the polices and development standards of the Santa Barbara County Comprehensive Plan, including the Santa Ynez Valley Community Plan and the Santa Barbara County Land Use and Development Code. The system will be designed for potential future expansion and to provide treatment that improves wastewater quality before it is reused, recycled or discharged into the environment. Reclaimed wastewater would be treated to levels compliant with California Code of Regulations (CCR), Title 22 discharge requirements to allow for:

- Beneficial reuse through underground infiltration
- Groundwater recharge
- Strategic flushing of existing nitrate/contaminates
- Local irrigation as site conditions allows

Because the project will generate in excess of 10,000 gallons per day, which is the per day County EHS limit, it will be under the jurisdiction of the Central Coast Regional Wastewater Quality Control Board, who would be the lead regulator agency, review the system and issue all appropriate permits. The treatment facility will be comprised of a high-efficiency, low odor, expandable Membrane Bioreactor (MBR) package plant sized to serve Phase I needs and sited to accommodate modular expansion should further study warrant a facility expansion. The facility will be operated by a California licensed and properly trained wastewater treatment plant operator, who will be responsible for ensuring proper operation and maintenance of plant equipment as well as required reporting.

### Disposal

The District is still designing the system. Groundwater degradation is a major concern for the Los Olivos SPA. The RWQCB policies would require the addition of disinfection for this disposal method if seasonal groundwater levels are within five feet of the infiltration surface. Therefore, the distance to the nearest well, depth to groundwater, and mounding potential must be considered in addition to water quality. Sizing and siting requirements for the percolation ponds will depend on the types of soils, and the results percolation testing.

Types of Services	
Collection	X
Treatment	X
Disposal	X
Recycled	X
Other	X

### Los Olivos Community Services District Formation, Revenues, Attributes, Types of Service, and Resources

Treatment Plant, Booster, & Lift Stations			
Address	Acquired/Built	Condition	Size
None at this time	TBD	New	Unk

Connections		
Type	# of Acct	% of Total
Single-Family*	340	86.7%
Multi-Family	0	0%
Commercial*	52	13.3%
Industrial	0	0%
Institutional	0	0%
Agricultural	0	0%

\* Designing for approximate

Total Staffing		
	Personnel	Per 1,000 population
Full time Operators	0	0
Emergency Operators	0	0
Administrative Personnel	0	0
Other District Staff	1	n/a

Los Olivos Community Services has a total of three (3) contract employees.

Staffing Experience/Tenure (average)		
	Years in Industry	Year w/ District
General Manager (1)	n/a	n/a
Engineers (2)	n/a	n/a
Operator Supervisor (0)	n/a	n/a
Operator I (0)	n/a	n/a
Operator II (0)	n/a	n/a
Operator III (0)	n/a	n/a
Administrative Personnel (0)	n/a	n/a

## Wastewater Capacity

Los Olivos Community Services is designing a package plant sized to serve Phase I needs and sited to accommodate modular expansion should further study warrant a facility expansion. It is estimated the service area will generate in excess of 100,000 gallons per day.

The Los Olivos service area's maximum daily capacity to convey wastewater to the Treatment Facility for treatment and disposal is estimated at 0.1 million gallons.

## System Demands

Los Olivos Community Services service area's currently uses on-site wastewater treatment systems. It is estimated the service area will generate in excess of 100,000 gallons per day. At full build-out it is estimated to generate 385,000 gallons per day.



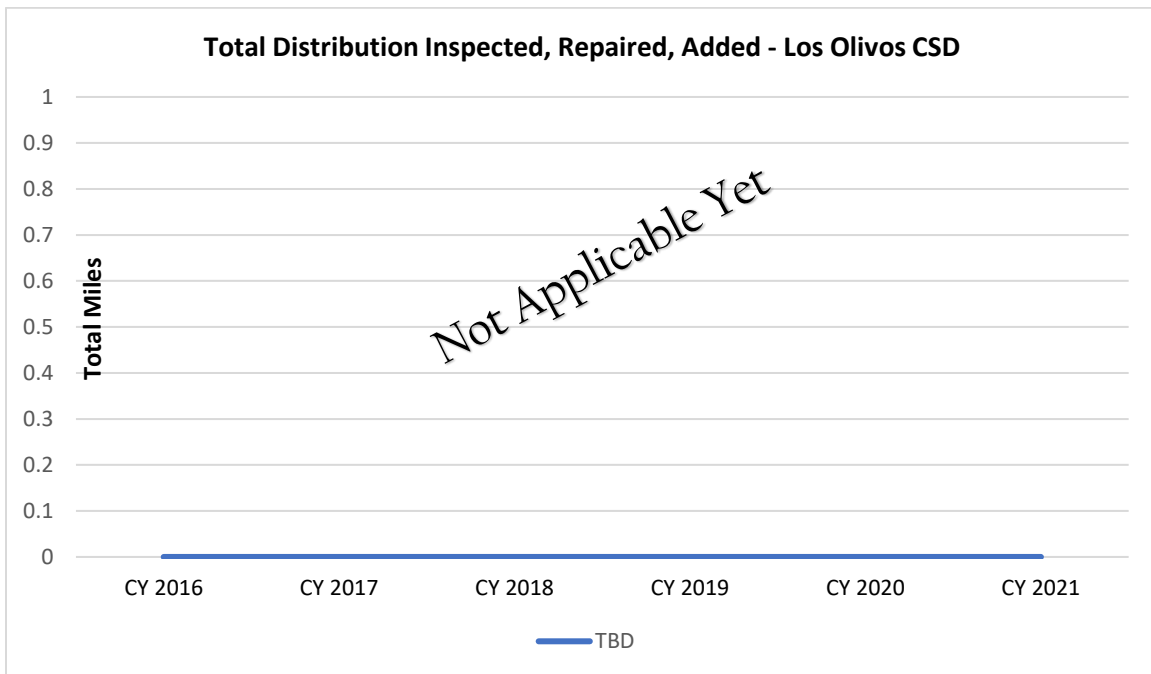
The estimated average annual wastewater flows generated in the Phase I service area is 0.07 million gallons per day.

## Service Performance

Los Olivos Community Services service area's estimated average annual wastewater collection demand generated during for subsequent treatment and disposal at the Treatment Plant Facility has been approximately 0.7 million gallons a day. Of this amount, it is estimated by LAFCO this represents 72% of permitted capacity.

LAFCO estimates Carpinteria Sanitary is expected to operate at 72% capacity within its service area.

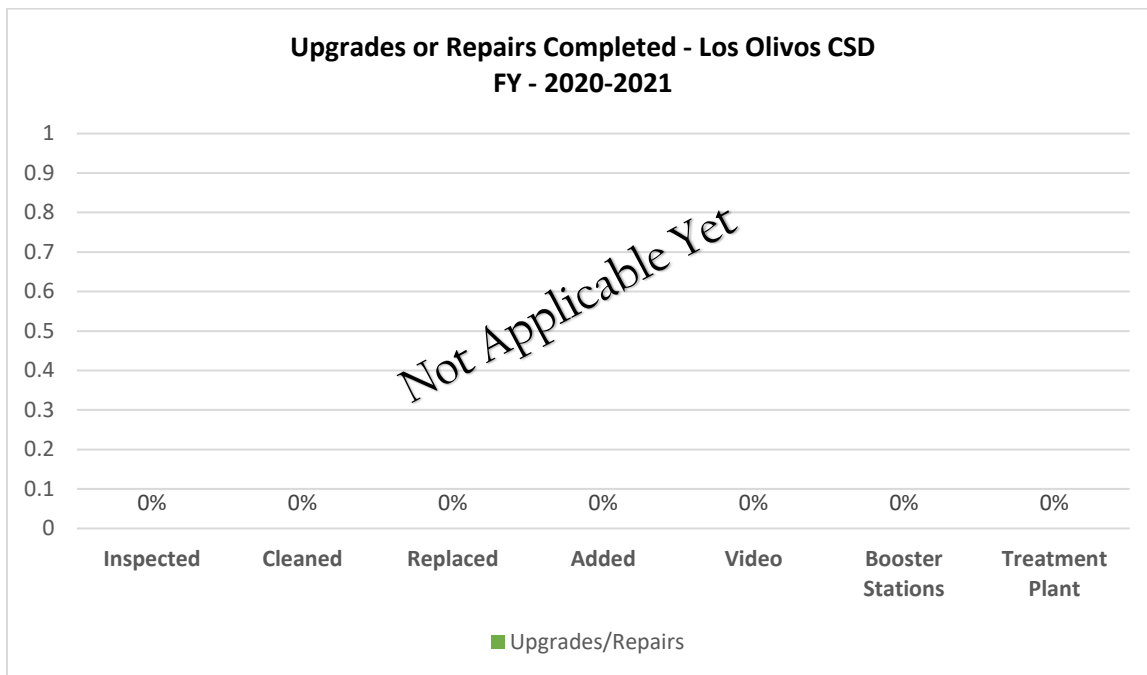
### Los Olivos Community Services District Formation, Revenues, Attributes, Types of Service, and Resources



Source: LOCSA Data.

Note: Information is for the entire District. Also, this table tabulates miles of lines cleaned, replaced, added,

and videoed. Additional upgrades performed regarding lift stations and treatment plant.



Source: LOCSD Data.

Note: Information is for the entire District.

The Los Olivos CSD will provide wastewater collection and treatment services to its constituents directly and plans for them in various planning documents, including the pending Design Capacity Study. The County’s Santa Ynez Valley Planning Area, which was last updated in 2009, contains Land Use, Public Facility, and Resource Constraints.

LOCSD Snapshot: FY2022	
Planning Reports	Year Updated
Community Plan	2009
Capacity Study	pending
Capital Improvement Plan	annually
Rate Study	N/A
Climate Plan	N/A

## FINANCES

The District prepares an annual budget and financial statement, which includes details for each of its government and capital project and replacement funds. The District maintains a separate capital fund for replacement needs, meaning that charges for services are intended to pay for the costs of providing such services.



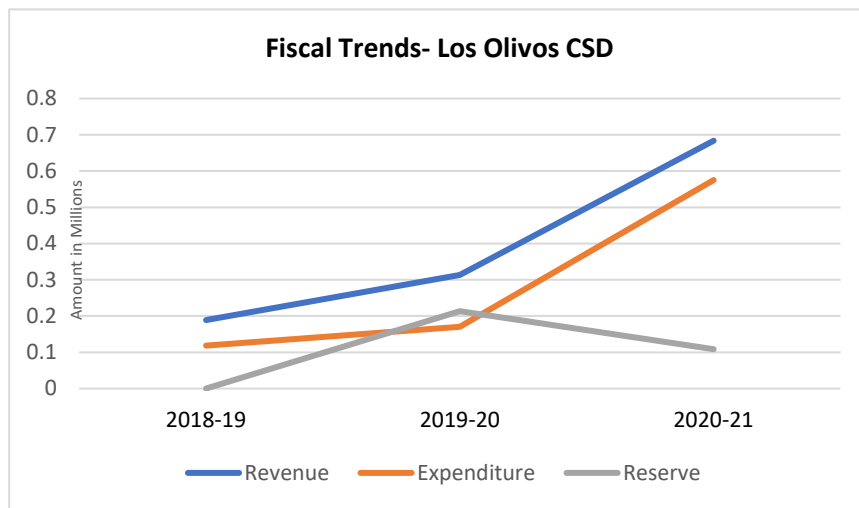
District Revenues				
	2020-2021		2021-2022	
	Amount	% of Total	Amount	% of Total
Special Tax Assessment	\$188,887	60.4%	\$196,253	28.7%
Grant Revenue	\$124,000	39.6%	\$274,000	40.1%
Investment income	\$0	0%	\$0	0%
Other Revenue	\$0	0%	\$213,370	31.2%
<b>Revenue total</b>	<b>\$312,887</b>	<b>100.0%</b>	<b>\$683,623</b>	<b>100.0%</b>

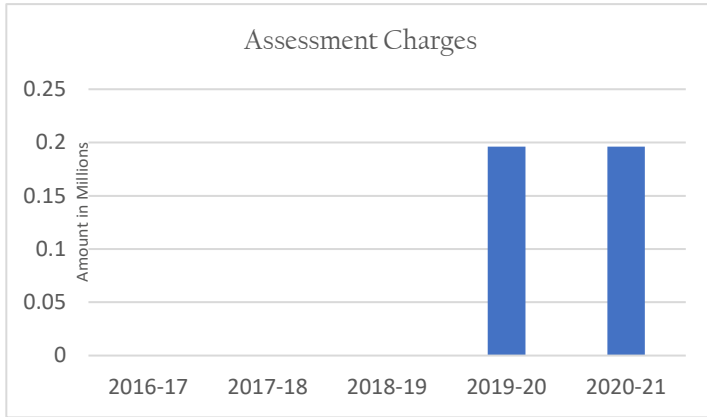
Source: Los Olivos Community Services, Adopted Budget, 2020 and 2021, Statement of Revenues, Expenditures and Changes in Fund Balances – All Fund types.

### Fiscal Indicators

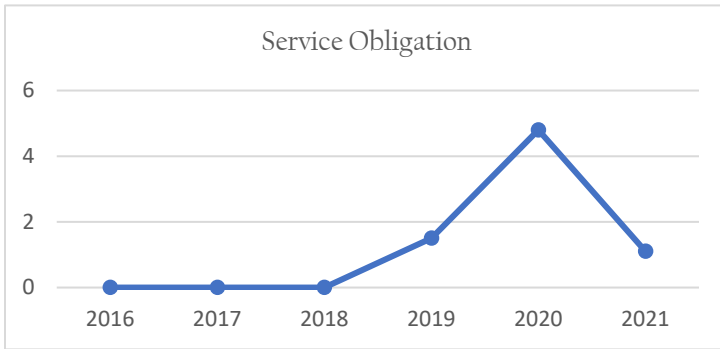
Select fiscal indicators are shown graphically below. Over the past three fiscal years, the District’s expenditures have increased consistent with its revenues. The increase in expenditures was primarily due to technical studies, plant design, cost estimating, permitting and approval activities. The District’s reserve balances have sufficient funds to absorb relatively small revenue imbalances. The line graph below shows the current financial trend in millions. These indicators provide a measurement of the agency’s financial condition over time.

#### LOS OLIVOS COMMUNITY SERVICES





This indicator addresses the extent to which assessment charges for service covered expenses. Assessment is the primary funding source for the District. Represented below a ratio of one or higher indicates that the service is self-supporting.



A Service Obligation ratio of one or more indicates if revenues were sufficient to pay for operations. It is calculated by operating revenues divided by operating expenditures.

Fiscal Year	Operating Revenues	Operating Expenditures	Ratio
2016	\$ 0	\$ 0	0
2017	\$ 0	\$ 0	0
2018	\$ 0	\$ 0	0
2019	\$ 188,887	\$ 118,406	1.5
2020	\$ 312,887	\$ 169,998	1.8
2021	\$ 683,623	\$ 575,130	1.1

### Post-Employment Liabilities

The two charts below identify the funding status and asset coverage of the pension and OPEB plans.

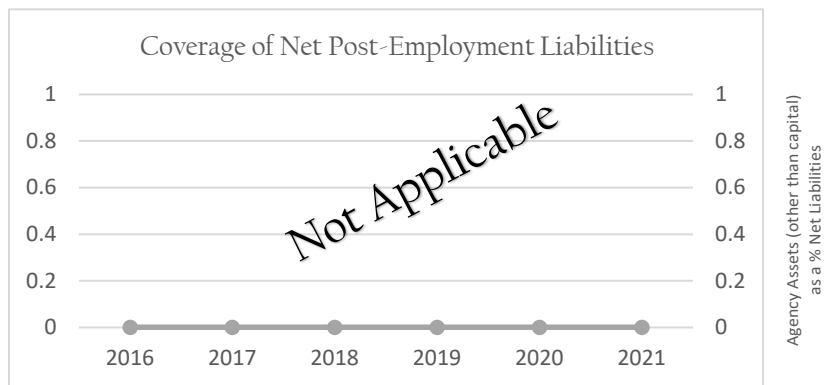
#### Pension

	2017	2018	2019	2020	Trend
Funded ratio (plan assets as a % of plan liabilities)	0%	0%	0%	0%	➔
Net liability, pension (plan liabilities - plan assets)	\$ 0	\$ 0	\$ 0	\$ 0	

#### Other Post-Employment Benefits (OPEB)

Funded ratio (plan assets as a % of plan liabilities)	2021 year of OPEB reporting	0%
Net liability, OPEB (plan liabilities - plan assets)		\$ 0

The net liability amounts are essentially unfunded liabilities of the agency. The figure below shows if the agency has enough assets (other than capital) to cover the liabilities. A declining trend indicates liabilities continuing to exceed agency assets.



	2016	2017	2018	2019	2020	2021
Agency Assets (other than capital)	\$4,805,721	\$5,571,131	\$5,177,234	\$6,839,207	\$12,735,813	\$TBD
Net Liabilities (pension & OPEB)	\$0	\$0	\$0	\$0	\$0	\$0

*Pension Obligations and Payments*

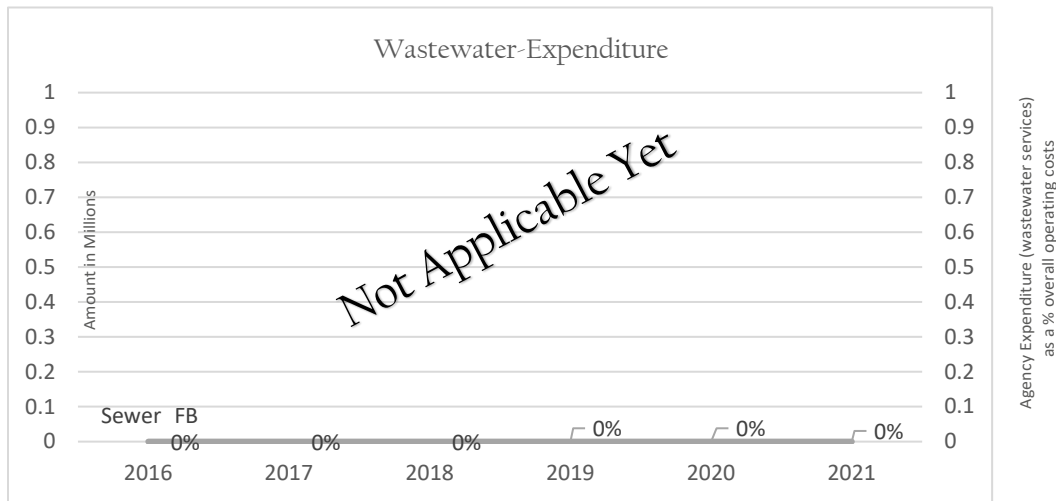
The District does not have any pension obligations.

*OPEB Obligations and Payments*

The District does not have any post-employment obligations.

**Enterprise Funding**

The District budget includes wastewater services for contract services. In FY 2020/2021, the District’s budget expenses are estimated to total \$565,130. The bulk of the expenditures, 78% of the budget, will be for technical studies, plant design, cost estimating, permitting and approval activities required to achieve a green light for the project. Administrative costs are minimized and are less than 25% of total expenditures. The following chart will be updated to shows a six-year trend when available. The graph below will show the current financial trend in millions. This indicator will provide a measurement of the agency’s expenditure over time.



**Asset Maintenance and Repair**

The District’s budget currently includes expenditures for technical studies, plant design, cost estimating, permitting and approval activities. Once a plant is constructed future budget expenses will document the improvement projects.

## Capital Improvements

The District does not have a capital improvement plan (CIP) at this time. Once the District has completed the design and construction of a treatment plant and disposal process, future capital improvements would regularly be identified and prioritize improvements and costs.

## Long-term Liabilities and Debts

The District does not have any long-term debt.

## Opportunities for Shared Facilities

The District does not currently share facilities or services with other agencies, nor have any opportunities to do so, have been identified by staff or in the preparation of this report. Although over the years it was recommended the District’s consideration of shared wastewater facilities and service with nearby communities including Ballard, and Janin Acres. It is unlikely that such a proposal would be feasible in the near future.

## Rate Structure

Sewer rates for the District have not been adopted by the Board of Directors as of Jan 2022. The rates will be based on a Cost of Services Study and undergo periodic review and adjustment, per District policy.

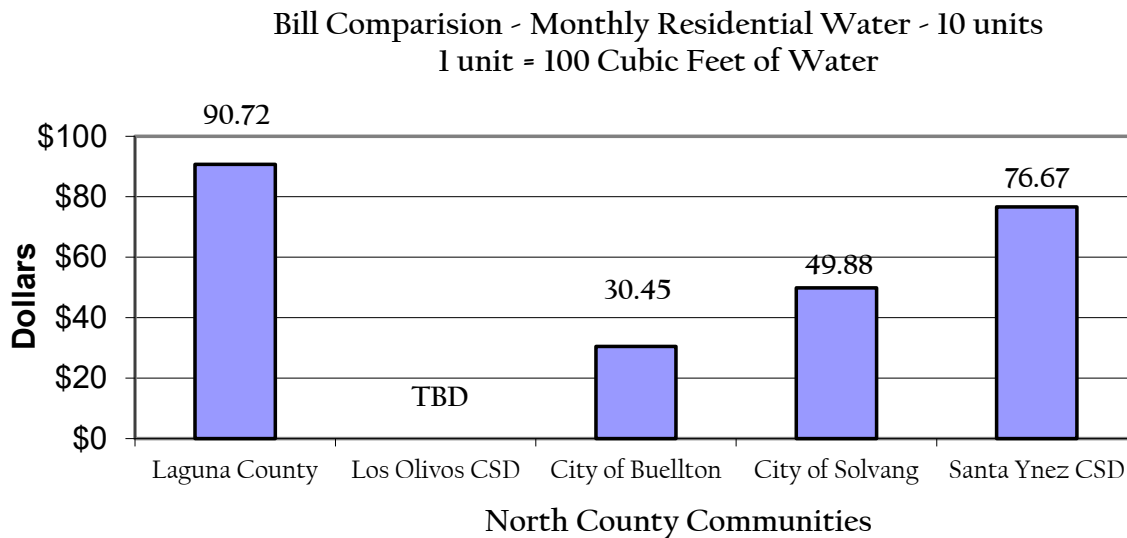
### Wastewater Fees (Effective TBD)

- A. Connection Fees (represents share of capital costs)
  - Residential – These will be evaluated and determined on a Study
- B. User Fee per Month
  - Residential Flat or Base Rates\*

	Wastewater
Single-family/duplex	TBD
Multi-family	TBD
Commercial	TBD

Figures V-3 show a rate comparison for four north County Communities. The following charts show the comparison of two Cities, one CSD, and one Sanitation District. Overall, Los Olivos Community Services sewer rates will still need to be determined. The charts are based upon a

sample billing using “10 units” as a basis.



## ORGANIZATION

### Governance

Los Olivos Community Services District’s governance authority is established under the Community Services District Act (“principal act”) and codified under Government Code Sections 61000. This principal act empowers Los Olivos CSD to provide a moderate range of municipal services. A list comparing active and latent powers follows.

Active Service Powers	Latent Service Powers
- Wastewater collection	Water
- Treatment & Disposal	All others listed in G.C. 61000
- Recycled Water	
- Stormwater	

Governance of Los Olivos Community Services District is independently provided through its five-member Board of Directors that are elected at-large to staggered four-year terms. Los Olivos Community Services District holds meetings on Wednesday after the 2<sup>nd</sup> Tuesday of the month located at St. Mark’s in the Valley Episcopal Church, Stacy Hall 2901 Nojoqui, Ave., Los Olivos at 6:00 pm. A current listing of Board of Directors along with respective backgrounds follows.

Los Olivos Community Services   Current Governing Board Roster			
Member	Position	Background	Years on District
Tom Fayrum	President	Civil Engineer	2
Brad Ross	Vice President	Mechanical Engineer	2
Lisa Palmer	Director	Communications	4
Mike Arme	Director	Utility Contractor	4
Julie Kennedy	Director	TBD	2 mo

### Website Transparency

The table, below and on the next page, is not an exhaustive inventory of website criteria required under current law. Rather, it identifies key components, required by the Government Code and/or recommended by the California Special Districts Association and other organizations, for websites to enhance transparency and accountability.

Government Code Sections 54954.2 and 54957.5 require agencies to post all agendas 72 hours in advance on their websites. Government Code Section 6253 requires that agencies post content most requested by constituents and most often requested via Public Record Act requests. Because of the difficulty for LAFCO staff to verify this information, these criteria are not included in the website checklist. However, agencies should address these criteria to comply with current website requirements.

Los Olivos Community Services District Website Checklist website accessed 7/25/22 <a href="https://www.losolivoscscd.com">https://www.losolivoscscd.com</a>			
<i>Required</i>			
		<i>Yes</i>	<i>No</i>
Government Code §53087.8	Agency maintains a website with current contact information? <i>(required for independent Special Districts by 1/1/2020)</i>	X	
Government Code §6270.5	Agency has created an Enterprise System Catalog and posted it to website?		X
Government Code §54954.2	Agency has current agenda posted to website homepage and is accessible through a prominent, direct link?	X	
Government Code §53908	Agency’s website provides information on compensation of elected officials, officers and employees or has link to State Controller’s Government Compensation website?	X	

<i>The following criteria are recommended for agency websites by a number of governance associations and organizations.</i>		
	<i>Yes</i>	<i>No</i>
Description of services?	X	
Service area map?	X	
Board meeting schedule?	X	
Budgets (past 3 years)?	X	
Audits (past 3 years)?		X
List of elected officials and terms of office?	X	
List of key agency staff with contact information?		X
Meeting agendas/minutes (last six months)?	X	
<i>Notes: Los Olivos CSD is an independent board-governed District. Refer to <a href="https://www.losolivoscsd.com">https://www.losolivoscsd.com</a> for the required checklist items.</i>		

### Survey Results

The table below includes a list of questions asked of area residents by LAFCO to assess if satisfactory water, wastewater, and stormwater services met their needs and/or identify any unmet needs. The questions identify key components recommended by LAFCO staff.

#### Los Olivos Community Services District Questionnaire Revenues, Types of Service, and Resources

Los Olivos Community Services			
Responses by Response			
Questions	Satisfactory	Unsatisfactory	Undecided
1. Overall, are you satisfied with the level of water, wastewater, or stormwater services?	1	-	-
2. Overall, are adequate staffing and equipment provided with the level of water, wastewater, or stormwater service?	1	-	-
3. Do you feel an adequate level of funding is provided given the level of service?	1	-	-
4. Personnel arrived in a timely manner and were professional?	1	-	-
5. Personnel was knowledgeable, answer questions, and were informative?	1	-	-

A total of 1 response was provided by the community that answered the survey questions. The community rated the agency with all satisfactory. Additional comments were provided.